

## Message Text

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ACTION TRSE-00

INFO OCT-01 SS-14 ISO-00 EA-06 SP-02 L-01 EB-04 INR-05  
OMB-01 NSC-05 NEA-07 IO-06 CIAE-00 NSAE-00 /052 W  
-----094310 241042Z /21/11  
P 240848Z AUG 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC PRIORITY 0618

C O N F I D E N T I A L SECTION 01 OF 02 MANILA 14858

LIMDIS USADB

C O R R E C T E D C O P Y (EO 11652: "GDS" VICE "N/A")

FOR ASST SEC HOLBROOKE

PASS TREASURYDEP FOR ASST SEC BERGSTEN

EO 11652: GDS  
TAGS: EAID, EFIN, ADB, VN  
SUBJECT: ADB TECHNICAL ASSISTANCE TEAM TO VIETNAM

REF: MANILA 14703

1. IN EXECUTIVE SESSION OF THE BOARD OF DIRECTORS ON  
AUGUST 24, ADB PRESIDENT YOSHIDA MADE THE FOLLOWING  
ANNOUNCEMENT:

QUOTE: WITH REFERENCE TO THE THREE PROJECTS IN THE AGRI-  
CULTURAL SECTOR IN VIETNAM THE DOCUMENTS FOR WHICH WERE  
CIRCULATED ON 2 AUGUST 1978 AND BOARD CONSIDERATION WAS  
SCHEDULED FOR THE 24TH OF AUGUST 1978, YOU HAVE BEEN  
NOTIFIED THAT AT THE REQUEST OF ONE BOARD MEMBER , BOARD  
CONSIDERATION OF THE PROJECTS HAS BEEN DEFERRED.

- IN PARAGRAPH 3 OF THE BOARD DOCUMENT R67-78 DATED  
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2 AUGUST, I HAD INDICATED THAT IF THE BOARD APPROVES THE  
RECOMMENDATION FOR THE REACTIVATION OF THE BINH DINH, GO  
CONG AND TAN AN PROJECTS, I PROPOSE TO APPROVE, UNDER THE  
AUTHORITY DELEGATED TO ME IN TERMS OF THE BOARD PAPER ON  
TECHNICAL ASSISTANCE OPERATIONS, THE PROVISION OF  
TECHNICAL ASSISTANCE ON GRANT BASIS TO VIETNAM IN AN  
AMOUNT NOT EXCEEDING THE EQUIVALENT OF \$55,000.

- SINCE THE CIRCULATION OF THE BOARD DOCUMENTS FOR THE THREE IRRIGATION PROJECTS AND IN VIEW OF THE TIME SCHEDULE AGREED UPON BETWEEN THE BANK MISSION WHICH VISITED VIETNAM FOR REVIEW OF THESE PROJECTS AND VIETNAM AUTHORITIES, ARRANGEMENTS HAD BEEN MADE TO LOCATE SUITABLE CONSULTANTS TO ASSIST VIETNAM AUTHORITIES IN THE PREPARATION OF DETAILED DESIGNS AND TENDER DOCUMENTS FOR THE THREE PROJECTS. IN ORDER TO RETAIN THE OVERALL IMPLEMENTATION SCHEDULE OF THE PROJECTS, I HAVE DECIDED TO APPROVE THE GOVERNMENT REQUEST FOR TECHNICAL ASSISTANCE SO THAT THE PROJECT PREPARATORY WORK CAN PROCEED AS ORIGINALLY ENVISAGED. WE ESTIMATE THAT BY SUCH ACTION PROJECT PREPARATORY WORK CAN MAKE UP FOR ANY REASONABLE TIME THAT MAY BE REQUIRED FOR THE REACTIVATION OF THE PROJECTS.

- IN ACCORDANCE WITH THE REQUIREMENTS OF THE BOARD PAPER ON TECHNICAL ASSISTANCE OPERATIONS, A BRIEF BOARD INFORMATION PAPER ON THE ACTION TAKEN BY ME REGARDING THIS TECHNICAL ASSISTANCE WILL BE CIRCULATED SHORTLY.

- I SHOULD ADD THAT REGARDLESS OF THE EVENTUAL BOARD DECISION ON THE REACTIVATION OF THESE THREE PROJECTS, I CONSIDER THIS TECHNICAL ASSISTANCE WORTHWHILE IN ITSELF. IT WOULD HELP FAMILIARIZE VIETNAMESE OFFICIALS WITH INTERNATIONAL BID PREPARATION AND DESIGN PROCEDURES AND  
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WOULD HELP IMPROVE THEIR ACCESS TO CO-FINANCING IF THIS SHOULD BECOME NECESSARY.

- THANK YOU. END QUOTE.

2. USADB COMMENT: THE PRESIDENT INFORMED ME OF HIS PLANNED ACTION JUST PRIOR TO THE BOARD MEETING. HE NOTED THAT THE JAPANESE TEAM OF CONSULTANTS WAS ALREADY IN MANILA IN PREPARATION FOR A PROMPT DEPARTURE FOR VIETNAM. ITS SCHEDULE HAD BEEN SET BEFORE THE U.S. REQUESTED BOARD CONSIDERATION POSTPONEMENT. THE PRESIDENT BELIEVED THAT DELAYING THE TEAM'S DEPARTURE WOULD BE ILL-ADVISED ON AT LEAST TWO COUNTS. FIRST, IT WOULD INCREASE THE LIKELIHOOD OF ADVERSE PUBLICITY, WHICH IN TURN COULD ONLY SERVE TO GENERATE RENEWED PRESSURES ON HIM TO RESCHEDULE THE LOANS PROMPTLY. SECOND, WAS THE BELIEF THAT MOVING AHEAD WITH CONSULTANCY MISSION WOULD ALLEVIATE SOME OF THE CONCERN THAT THE VIETNAMESE AND OTHER MEMBER COUNTRIES MIGHT HAVE AS TO THE IMPLICATION OF THE POSTPONEMENT AND THUS LESSEN THE POSSIBILITY OF THE ISSUE BEING RAISED IN THE BANK. I CANNOT ALSO BUT BELIEVE THAT A THIRD CONSIDERATION WAS A DESIRE TO AVOID GIVING THE IMPRESSION THAT THE BANK

MANAGEMENT IS UNDULY UNDER THE INFLUENCE OF THE UNITED STATES. BE THAT AS IT MAY, THE STATED REASONS DO HAVE A CONSIDERABLE DEGREE OF MERIT FROM MY VANTAGE POINT.

- I EXPRESSED MY REGRET THAT THE PRESIDENT BELIEVED IT NECESSARY TO SEND A MISSION AT THIS TIME BUT UNDERSTOOD HIS REASONING. THE PRESIDENT AGREED TO MY SUGGESTION THAT NO PRESS RELEASE BE ISSUED CONCERNING THIS DEVELOPMENT.

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ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 SS-14 SP-02 L-01 EB-04 INR-05  
OMB-01 NSC-05 NEA-07 IO-06 CIAE-00 NSAE-00 /052 W  
-----093757 240922Z /11

P 240848Z AUG 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC PRIORITY 0619

C O N F I D E N T I A L SECTION 02 OF 02 MANILA 14858

USADB

LIMDIS

FOR ASST SEC HOLBROOKE

PASS TREASURYDEP FOR ASST SEC BERGSTEN

- I TOOK THE OCCASION OF OUR MEETING TO NOTE THAT A NEW PROJECT FOR LAOS WAS EXPECTED TO BE FORTHCOMING TO THE BOARD VERY SHORTLY AND THAT WHILE LAOS PERHAPS DID NOT HAVE THE SENSITIVITY OF VIETNAM, I TRUSTED THAT MANAGEMENT "WOULD NOT BE IN HASTE TO MOVE THE PROJECT TO THE BOARD FOR CONSIDERATION AND WOULD EXAMINE IT THOROUGHLY BEFORE SO DOING". I WAS ASSURED THAT "IT WAS HIGHLY UNLIKELY" THAT THE NECESSARY DOCUMENTS WOULD BE CIRCULATED BEFORE MID TO LATE SEPTEMBER, FOR BOARD CONSIDERATION IN OCTOBER. EDMOND

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## Message Attributes

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**Concepts:** TECHNICAL ASSISTANCE, VISITS, DEVELOPMENT BANKS  
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**Copy:** SINGLE  
**Draft Date:** 24 aug 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**TAGS:** EAID, EFIN, VN, VM, ADB, (YOSHIDA)  
**To:** STATE  
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